[Hon'ble Mr. A. Thanu Pillai.]

I shall now proceed to give a brief review of the financial position for the last, the current and the ensuing years.

Accounts—1122.

The total revenue for the year 1122 amounted to Rs. 880 lakhs as against Rs. 731 lakhs during 1121. The expenditure charged to revenue, excluding contribution to the Revenue Reserve Fund and the Post War Reconstruction Fund, amounted to Rs. 808 lakhs so that the ordinary transactions for the year 1122 resulted in a revenue surplus of Rs. 72 lakhs of which a sum of Rs. 3 lakhs was transferred to Revenue Reserve Fund and the balance to Post War Reconstruction Fund.

On the capital side the expenditure during the year was Rs. 193 lakhs.

Revised Estimate—1123.

I may now give a summary of the financial position for the current year based on the Budget Estimates and the Revised. The budgeted revenue and estimated expenditure for 1123, of Rs. 976 and Rs. 929 lakhs respectively, now stand revised at Rs. 934 and Rs. 907 lakhs, leaving a revenue surplus of Rs. 27 lakhs which is proposed to be credited to Revenue Reserve Fund. The variations between the budget and the revised estimates are explained in the Budget Memorandum.

Budget Estimate—1124.

I now turn to the budget estimates for 1124. I place the total revenue for the year at Rs. 855 lakhs and the expenditure charged to revenue at Rs 853 lakhs, leaving a surplus of about Rs. 2 lakhs. These figures are based more or less on the revised figures for 1123 with due reference to the relevant factors.

Revenue.

The total receipts from Customs have been placed at Rs. 119·5 lakhs, only Rs. 2 lakhs in excess of the revised, the normal volume of trade being expected to continue in 1124. Forest receipts are expected to improve and bring in an additional revenue of Rs. 23·66 lakhs due to the high demand for forest produce, especially timber. Under Education, an excess over the revised, of Rs. 5·39 lakhs is anticipated mainly on account of the increase in the number of school going population. Rs. 5 lakhs more is estimated to be realised under 'Mining Receipts'. A glance at the revenue estimates points to a marked fall under excise revenue, to the extent of Rs. 69 lakhs, due to the proposed introduction of prohibition which will, to some extent, be offset by the anticipated receipts under the Sales Tax proposed to be introduced. There is also a perceptible shrinkage under Taxes on Income, presumably the result of decrease in profits from business and fall in prices of certain important agricultural commodities.

LIBRARY ARCHIVES Kerala Legislative Assembly

On the whole, the revenue estimate is placed at Rs. 79·31 lakhs below the revised for the current year.

Expenditure.

The main features of the expenditure charged to revenue have already been placed before the House in explaining the financial policy of Government, at the outset. A cursory glance at the various items of expenditure estimate will show that expenditure under Excise and Prohibition, Land Revenue, Forests, Protective Irrigation, Police, Education, Agriculture, Industries, Village Union, Panchayat and Uplift, Medical, Ayurveda and Public Health, Stationery and Printing, Buildings, Communications and Water Supply, Army and Post-war Reconstruction is on the increase. The fall in the estimates in the case of other services is mainly due to the retrenchment of superfluous staff ordered by Government. Such retrenchments have resulted in an annual saving to Government of more than Rs. 10 lakhs. The increased cost anticipated on account of superannuation pensions and allowances is mainly the result of the lowering of the age of superannuation from 58 to 55 of officers in superior service with effect from 1st Chingom 1124. The proposed grant to them of allowances as compensation for the privilege they had to foregoing the matter of availing themselves of eligible leave due to them preparatory to retirement from service has been provided for under Miscellaneous.

Government have been financing Capital programmes from their balances and surplus investments. Owing to the rapid expansion of the hydro-electric schemes already in hand and the heavy outlay on food grains purchases, Government had to overdraw from the Bank as their surplus cash stands invested mostly in securities which it may not be advisable to dispose of in the present day market conditions.

The question may be raised whether a more forward policy of borrowing from the public may not be resorted to for financing our capital schemes, especially in view of the high credit which our State commands in the business world. It is undoubtedly a sound financial principle to make posterity also share the burden of expenditure on schemes which enure to their benefit; but the present time is not opportune. This course may be availed of when the market conditions improve. It is proposed to invest Rs. 169 lakhs in 1124 in Capital Schemes. While on this subject, let me say a few words about our debt position.

Debt Position.

A statement of our assets and liabilities is furnished on pages 16 and 17 of the Budget Estimates. It will be seen therefrom that our liabilities at the close of 1124 including the balances at the credit of some of the funds such as the

LIBRARY ARCHIVES Kerala Legislative Assembly